



October 16, 2014

Dr. Thomas Klinciar  
President  
Central Texas College District  
6200 West Central Texas Expressway  
Killeen, TX 76540-4199

Certified Mail  
Return Receipt Requested  
7012 3460 0003 2479 4848

RE: **Expedited Final Program Review Determination Letter**  
OPE ID: 00400300  
PRCN: 201440628826

Dear Dr. Klinciar:

From September 22, 2014 through September 23, 2014, Michelle Allred and Catherine Smoker conducted an off-site review of Central Texas College District's (CTCD) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine CTCD's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review was a follow-up measure regarding the students indicated in the fraud investigation that CTCD reported to the U.S. Department of Education's Office of the Inspector General (OIG) on February 28, 2014.

Nine students were identified for review from the 2013-2014 award year. The files selected were the ones reported to OIG as part of the student fraud investigation mentioned above. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

The review team found CTCD to be in compliance regarding the handling of the nine students in question that were referred to OIG for possible fraud. All nine files were reviewed and determined to be processed accurately for financial aid eligibility, except as noted in the finding below.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

**Federal Student Aid**

AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Dallas School Participation Division

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Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CTCD's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CTCD of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

The Dallas School Participation Division has made a Final Program Review Determination concerning the finding that was identified during the program review. Following is a discussion of the finding identified and the resolution of that finding.

**Program Findings and Final Program Review Determinations:**

**Finding 1: Direct Loan Delayed Delivery Requirement Not Met**

**Citation:** According to 34 C.F.R. § 685.303(b)(4)(i), if a student is enrolled in the first year of an undergraduate program of study and has not previously received a Federal Stafford, Federal Supplemental Loans for Students, Direct Subsidized, or Direct Unsubsidized Loan, a school may not disburse the proceeds of a Direct Subsidized or Direct Unsubsidized Loan until 30 days after the first day of the student's program of study.

**Noncompliance:** CTCD failed to delay Direct Loan delivery for two students in the sample who were 1<sup>st</sup> year and 1<sup>st</sup> time borrowers.

Student #1 – Began attendance on 01/13/2014; Direct Loans were disbursed on 01/21/2014

Student #2 – Began attendance on 01/13/2014; Direct Loans were disbursed on 02/04/2014

**Institutional Action Taken to Resolve Noncompliance:** CTCD acknowledged that the discovery of the two students listed above brought to light the issue that spring and summer students could be missed due to the current manual process for review of 1<sup>st</sup> year and 1<sup>st</sup> time borrowers who begin school during these terms. During the off-site program review, CTCD revised their policy, procedures and system resources in order to avoid this issue in the future. Both students identified in the program review did subsequently achieve eligibility.

**Final Program Review Determination:** CTCD has taken the corrective actions necessary to resolve this finding by implementing a policy, procedure, and system change to catch spring and summer students who are 1<sup>st</sup> year and 1<sup>st</sup> time borrowers. Therefore, CTCD may consider this finding closed, with no further action required.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please contact Michelle Allred at 214-661-9466.

Sincerely,

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Cynthia Thornton, Director  
Dallas School Participation Division

cc: Annabelle Smith, Financial Aid Administrator  
Texas Higher Education Coordinating Board  
Texas Veterans Commission  
Southern Association of Colleges and Schools Commission on Colleges

Enclosures:

Appendix A -- Student File List (sent via email)